



City of Cincinnati

FOR IMMEDIATE RELEASE

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Budget Summary

The 2009/2010 Biennial Budget totals \$1.3 billion in 2009 and \$1.2 billion in 2010 for All Funds. \$375.4 million of that is general fund in 2009. \$176.9 million of the \$375.4 million general fund is public safety related spending. The projected deficit for the 2009 budget was \$14.5 million.

The 2009 budget focuses on improving service and expanding momentum. Key areas continue to include economic development to create jobs; neighborhood investment to improve our quality of life; public safety, a continuing area of improvement; and a focus on supporting youth services and programs.

Strategic Investing For Broad Returns

The City Manager is recommending several initiatives that will help improve service to our community with minimal outlays of resources. These include:

- Complete Count for the Census - \$100,000
- Citywide Comprehensive Plan - \$500,000
- Citywide Bicycle Plan - \$350,000
- Cincinnati Riverfront Park - \$7,000,000
- Citizen's Survey - \$52,000
- Study for Implementing Automated Solid Waste - \$300,000
- Youth Jobs - \$1,000,000

These initiatives will allow us to position ourselves to obtain federal revenues, plan for our land use, raise our quality of life, assess our customer's perceptions, plan for the modernization of our public service delivery, and continue the cultivation of the community's future workforce.

Organizational Changes Provide a More Efficient Government

The Economic Development Division of the City Manager's Office and the Business Development Division of the Department of Community Development will merge to create the Department of Economic Development in 2009. The creation of the new department is aimed at providing better coordination, planning and service delivery, as well as reducing overlap and confusion. This reorganization will expand our momentum through investing in development which grows jobs and our tax base.

Responsibility for oversight of the City's recycling contract was moved from the Department of Public Services to the Office of Environmental Quality (OEQ), a division of the City Manager's Office. OEQ has been active in leading the City toward sustainability and the practice of good environmental stewardship. In addition to leading the City's review of recycling activities, the Office of Environmental Quality is active in Climate Protection, Energy Management, Air Quality, Brownfield Redevelopment, and internal environmental compliance issues.

Responsibility for oversight of the Cincinnati Initiative to Reduce Violence (CIRV) was moved from the Department of Community Development to the Office of the City Manager. This change will better align management duties with personnel resources and expertise, and ensure proper data collection

and oversight. CIRV is funded at \$941,530, which includes an additional \$160,000 in resources for streetworkers.

Budget Assumptions

The City's pension system is funded at a 17% employer contribution rate.

Fuel costs are budgeted at an average of \$3.50 per gallon and the budget for energy costs for electric will increase by 6.6% and by 9% for gas. The cost for salt increased by 165%.

Human Services funding is budgeted at \$2.425 million.

Difficult decisions were necessary to balance a \$14.5 million deficit.

In order for the budget to balance some choices had to be deferred until the second year of the biennium when our financial position will be a bit better. These include delaying the 2009 fire and police recruit classes. We also had to eliminate funding for the Private Lot Abatement program. Funding was also reduced for Enhanced Central Business District Cleaning but that is being offset by a collaborative partnership between Keep Cincinnati Beautiful and the Sheriff's Department.

There are nine pools that are recommended for closing, but these are recommended by the Cincinnati Recreation Commission in keeping with their capital strategy for the development of spraygrounds in the city. In addition the pools slated to be closed have been impacted by deferred maintenance and repairs that the General Fund has not been able to support. Admittedly, there will be a gap between the closing of the pools and the opening of the new spray features. Those pools affected by this decision include: Ziegler, Washington Park, Caldwell, Fairview, South Fairmont, North Fairmont, Inwood, Mount Adams, and Filson. Additionally when you compare the cost to operate and maintain these facilities in relation to the numbers of people that use them it is hard to justify leaving them open.

In total, there were 45.1 Full-Time Equivalent (FTE) positions eliminated, of which 21.1 are filled.

The Modernization of Solid Waste Services

The City must continue to press the business case for modernizing our solid waste services. In the long run it will save the City money, contribute to safer neighborhoods, make City services more efficient, and work in concert with our efforts to raise the level of recycling participation within the community. The City plans to implement an enhanced solid waste collection program that includes automated and semi-automated waste collection with specialized trash bins and trucks that will automatically lift and empty trash bins. This will improve collection technology, increasing program efficiency, and eliminating the need for workers to manually lift and empty trash bins.

Background

The City is currently continuing with the antiquated practice of having sanitation collectors ride on the back of solid waste vehicles. They physically lift whatever residents put at the curb. They are exposed to whatever hazards are placed in the trash. Residents are permitted to put their garbage out in whatever manner they choose. People use cans of varying sizes, no cans at all, or plastic bags given to intrusions from animals that leave debris strewn up and down the street. The debris is an aspect of the broken windows theory which sends a signal to the criminal element that they can ply their trade there.

It is reported that the City is averaging seven people out a month with some type of injury as a result of how we collect solid waste. The City is spending approximately \$1 million a year due to those injuries but those costs are borne within Workers' Compensation fund and therefore are not obvious in reviewing the department's budget.

Since people put garbage out in any fashion they please the City's approach is not necessarily encouraging higher levels of recycling. Because Cincinnati's terrain and alleys are a factor, the City will not be able to go to a fully automated process.

Rightsizing and Cutting Costs

This Budget also contains \$300,000 to conduct a study on automation for solid waste services. That study will tell us what percentage of our city is conducive for the automated approach. It will also help us determine through our software the correct size of the routes. This information will contribute to the decision making we need to do regarding the proper size containers to give the public, which will be picked up by a lever on the trucks instead of through brute strength exerted by our employees. The study will also show if there is a need to adjust resources and collection routes. Reducing routes (perhaps), reducing personnel, reducing injuries, reducing lost time all saves money. Any staffing reductions would be handled through attrition and with proper communication to union leadership which should alleviate any labor issues.

In addition, determining a uniform can size and then charging for extra cans for those who have heavier usage would prompt more people to think about diverting items from the waste stream, thereby encouraging recycling.

Capitalization

To purchase cans, vehicles, and to implement comprehensive solid waste service delivery cannot be achieved with current resources. It will necessitate a fee for each household in the service district. That fee would provide for: weekly residential solid waste collection, daily/weekly business solid waste collection, weekly residential yard waste collection, white goods collection, dead animal removal, enhanced community corner can collection, and the City dumpster program.

In order to cover all of the aforementioned services the fee would need to be \$17.30 per month for each household payable quarterly and included in the billing completed by Greater Cincinnati Water Works. The financial information contained within the budget does not assume a start date of January 1, 2009, but rather commencing on May 1, 2009. The roll out of this approach would take place over the next two years until the program is fully operational. While they relate to the overall strategy, all of the recycling initiatives would continue to be funded by the General Fund and therefore are not contained in the comprehensive solid waste fee.

The Greening of Cincinnati

Mayor Mallory and the Council have been promoting a focus on "green" over the past year. A component of that strategy is to exert a stronger effort to increase the participation of recycling. Administratively that function has been transferred from the Department of Public Services to the Office of Environmental Quality. That program would not be part of the solid waste fee for service, but is a companion undertaking that meshes with the overall effort. However, recycling would continue to be funded by the General Fund. The Recommended Budget provides internal environmental compliance funding, a permanent Climate Protection position, and financing of Energy Services Performance Contracting in 2009. It provides a capital outlay allowing for new recycle bins in 2010. It also provides Climate Protection Marketing Funds and Internal Recycling Enhancements in 2010, along with identifying match funding for the installation of 100 solar panels.

Alternative Reductions

Along with funding a strategy towards a more efficient and effective solid waste function, as well as green initiatives for Cincinnati, the solid waste fee would also provide the necessary revenues to balance the 2009 and 2010 General Fund Budget. The solid waste fee provides \$9 million in resources for 2009 and \$22.7 million in resources for 2010. The Administration reviewed every department's budgets to identify alternative reductions if the solid waste fee is not implemented, and these are identified in the City Manager's Message document.

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